

A landscape photograph of a savanna with a cloudy sky and mountains in the distance. The foreground is filled with tall, dry, golden-brown grasses. In the middle ground, there are several trees with sparse, brownish leaves, suggesting a dry season. The background shows a range of blue, hazy mountains under a heavy, grey, overcast sky.

2005-2006 World Bank-Funded
National Nature-Based Tourism
Supply-Side Study

Draft Report Presentation

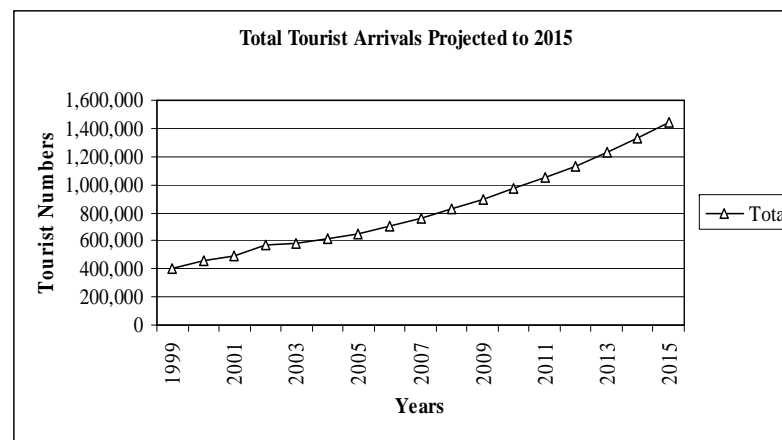
23rd May, 2006

National Nature-Based Tourism Supply-Side Study

Historical Performance

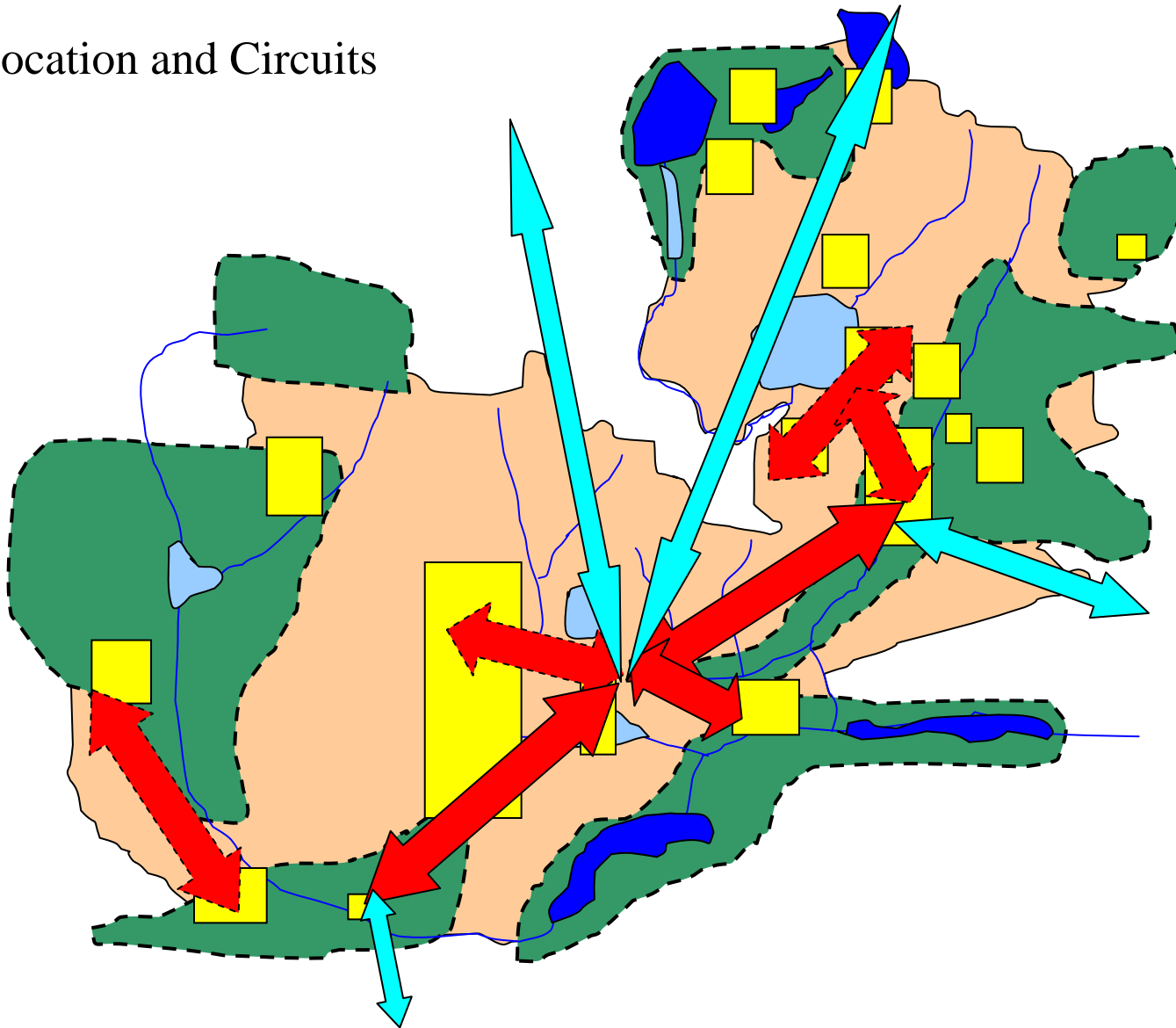
International Tourist Arrivals by Country of Residence								
	1999	1999	2000	2001	2002	2003	2004	2005
Origin								
Southern Africa	60.1%	243,060	217,572	234,017	268,782	274,701	290,199	309,110
East Africa	6.3%	25,568	32,191	34,624	39,768	40,644	42,937	45,735
North Africa	0.3%	1,346	529	569	654	668	706	752
West Africa	0.3%	1,334	1,131	1,216	1,397	1,428	1,509	1,607
Central Africa	7.6%	30,634	43,056	46,310	53,190	54,361	57,428	61,170
Europe	16.6%	67,253	105,409	113,376	130,219	133,087	140,595	149,757
America	3.7%	15,121	27,469	29,545	33,934	34,682	36,638	39,026
Asia and Oceania	4.9%	19,931	30,062	32,334	37,138	37,956	40,097	42,710
Total		404,247	457,419	491,992	565,081	577,526	610,109	649,867

Trends



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- Location and Circuits



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Preferred Destinations

Area	%	Rank
Livingstone/Victoria Falls/Zambezi rapids?	95%	1
South Luangwa National Park?	95%	1
Lower Zambezi National Park?	60%	3
North Luangwa National Park?	36%	5
Kafue National Park?	38%	4
Lake Tanganyika?	11%	10
Upper Zambezi and Western Zambia (Liuwa Plains/fishing)?	16%	9
Kafue Flats (Lochinvar/Blue Lagoon)?	24%	7
Kasanka National Park/Bangweulu swamps?	24%	7
Shiwa Ng'andu/Mutinondo Wilderness/Northern Zambia?	26%	6
Others (state)?	5%	11

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Classification

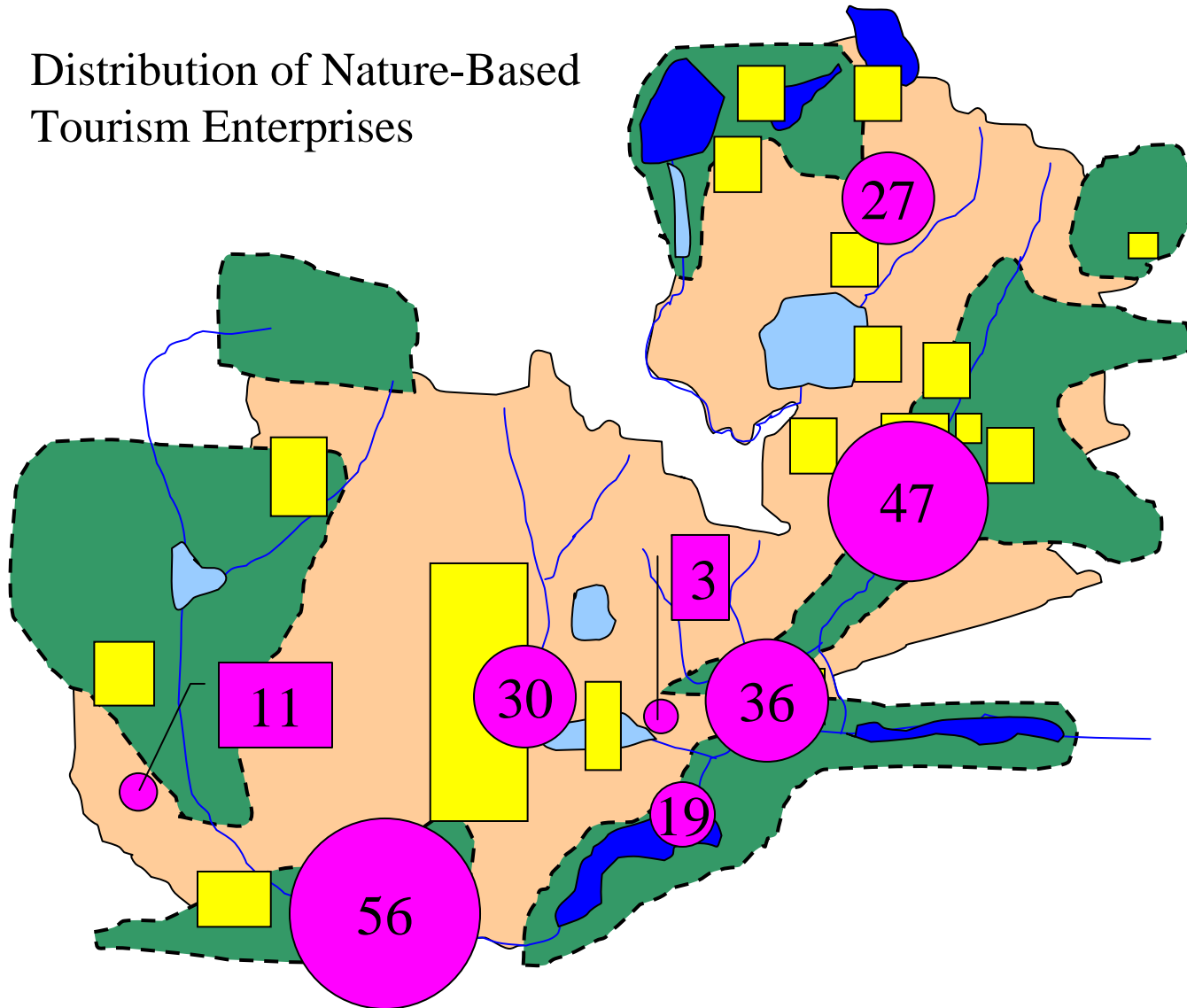
- Formal classification exists only for hotels

Grading

- This study has used the following classification of tourism accommodation establishments
 - Hotel
 - Tourist Lodge
 - Backpacker Lodge
 - Tourist Camp
 - Traveller Lodges
 - Self-catering Camp
 - Community Camp
 - Bush Camp
 - Walking/Mobile Camp
 - Large Houseboat/Cruiser
 - Small Houseboat Cruiser
 - Camp Site

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- Distribution of Nature-Based Tourism Enterprises



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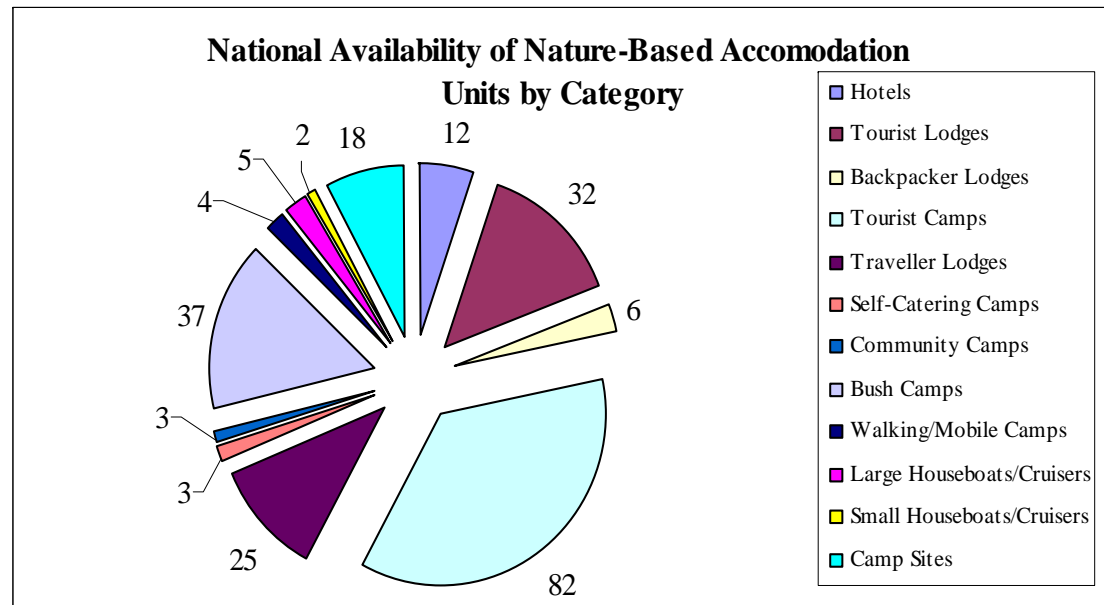
Number of operations

- **Accommodation Providers**

This study identified 229 nature-based tourism accommodation providers country-wide

- **Activity Providers**

The study identified over 30 specialist adventure tourism activity providers, mostly located in Livingstone



National Nature-Based Tourism Supply-Side Study

Nature-based tourism bed availability

Category	No. Units	Ave. No. Months Operating	No Units	No. Beds	Ave. No. Beds
Hotels	12	12	12	1,024	85
Tourist Lodges	32	11	32	760	27
Backpacker Lodges	6	12	6	191	32
Tourist Camps	82	11	82	1,043	15
Traveller Lodges	25	12	25	408	16
Self-Catering Camps	3	9	3	38	13
Community Camps	3	7	3	24	8
Bush Camps	37	7	37	250	9
Walking/Mobile Camps	4	8	4	24	6
Large Houseboats/Cruisers	5	12	5	118	24
Small Houseboats/Cruisers	2	12	2	12	6
Camp Sites	18	12	18	537	34
Totals	229		229	4,429	
Averages		10.4			23

National Nature-Based Tourism Supply-Side Study

Bed night occupancy - by region

Region	Ave. No. Months Operating	No. Units	No. Beds	Ave. No. Beds	Average Occupancy	Total Bed Nights	Total Bed Night Utilisation
Kariba Lakeside	12	19	495	26	27.6%	176,520	61,284
Livingstone and Rapids	12	56	1,704	30	38.5%	610,680	247,822
Lower Zambezi	8	36	498	14	34.7%	119,940	43,518
Lunga, Kafue, Kafue Flats	9	30	402	15	25.8%	102,540	23,833
Lusaka	12	3	136	45	45.0%	31,681	20,593
Northern	11	27	358	16	29.1%	100,080	23,031
South Luangwa	7	47	696	15	38.0%	181,380	71,790
Western and North-Western	9	11	128	12	38.2%	36,000	14,904
Totals		229	4,417			1,358,821	506,775
Averages per region	10.0	29	552	22	34.6%	6,035	2,248

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Nature-based tourist numbers

Estimating the number of nature-based tourists

- The survey indicates nearly 1.4 million bed nights were sold in 2005
- the average tourist may spend between 4 and 8 nights in Zambia – on average 2 nights in each location - say 5 nights overall
- A crude calculation then yields 276,000 nature-based tourists

Comparison with tourist arrival statistics

- MTENR recorded a gross figure of 650,000 tourists entered Zambia in 2005

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Nature-based tourist numbers

Potential tourist numbers generated by and lost to regional competitor countries

Regional Countries Commonly Packaged with Zambia - Zambia the Primary or Equal Destination	Southern Africa	Europe	USA	Australasia	GROUPED AVERAGES
Botswana?	60%	88%	100%	100%	87%
Kenya?	0%	25%	0%	100%	31%
Malawi?	80%	88%	0%	100%	67%
Mauritius?	0%	25%	0%	0%	6%
Mozambique?	40%	31%	0%	0%	18%
Namibia?	0%	19%	100%	100%	55%
Seychelles?	20%	13%	0%	0%	8%
South Africa?	40%	81%	100%	100%	80%
Tanzania?	20%	19%	0%	100%	35%
Uganda?	0%	0%	0%	100%	25%
Zimbabwe?	20%	38%	0%	0%	14%
Others (state)?	0%	0%	0%	0%	0%

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Nature-based tourist profiles

Average length of stay

1 night	- 16%
2 nights	- 42%
3 nights	- 28%
> 3 nights	- 14%

Group size

Singles	- 21%
Doubles	- 43%
3 – 6	- 26%
7 – 10	- 4%
> 10	- 6%

Tour structures

With East Africa	- 2%
With South Africa	- 15%
Excluding S Africa	- 7%
Zambia only	- 27%
Single company tour	- 9%
No package	-40%

Mode of Arrival

Airline	- 29%
Charter	- 12%
Coach	- 8%
Self drive	- 39%
Other	- 12%

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Nature-based tourist profiles – operator survey

Country of residence

North America	- 15%
UK and Europe	- 42%
Asia	- 1%
Australasia	- 2%
Zambia	- 24%
Southern Africa	- 12%
Elsewhere	- 4%

Booking system

Direct on-line, foreign	- 22%
Direct on-line local	- 14%
Foreign tour agent	- 27%
Zambian tour agent	- 13%
Zambia tour operator	- 8%
Walk-in	- 11%
Other	- 6%

Ranked booking materials

National website	- 4
Operator website	- 1
National brochures	- 5
Operator brochure	- 2
E-mail	- 3

National Nature-Based Tourism Supply-Side Study

Employment

Distribution of Employment in the Nature-Based Tourism Sector	Kariba Shoreline N=5	Livingstone and the Rapids N=8	Lower Zambezi N=3	Lunga, Kafue, Kafue Flats N=2	Lusaka N=1	Northern N=6	South Luangwa N=6	National Total N=31	Average Employment
Management	12	102	11	6	2	16	36	185	6
Accounts & Stores	1	42	2	0	2	4	17	68	2
Maintenance	7	13	4	10	5	11	47	97	3
Housekeeping	10	215	4	7	12	12	64	324	10
Food & Beverage	17	361	6	13	32	20	131	580	19
Front Office	3	41	0	0	5	2	11	62	2
Tourism Activity Staff	3	45	8	10	4	5	40	115	4
Support Staff	68	139	54	12	8	37	153	471	15
Totals	121	958	89	58	70	107	499	1,902	61
Total Expatriates	2	41	9	0	1	5	41	99	3
Total Zambian Management	10	61	4	6	1	11	19	112	4
Casual	43	362	30	0	4	2	38	479	15
Grant Total	164	1,320	119	58	74	109	537	2,381	77

National Nature-Based Tourism Supply-Side Study

- Operating Finances (Annual averaged, rounded data per entity)
 - Turnover - US\$ 621,000
 - Capital investment - US\$ 99,000
 - Profitability - US\$ 64,000
 - Cash into local communities - US\$ 9,000
- Estimated sub-sector turnover - US\$76 million

National Nature-Based Tourism Supply-Side Study

Breakdown of Tour Packages - Percentages

Percentage Contributions to Typical Nature-Based Tour Packages to Zambia	Southern Africa	Europe	USA	Australasia	GROUPED AVERAGES
Long distance travel	40%	19%	20%	16.6%	21.4%
Domestic travel	5%	10%	10%	8.3%	9.4%
Transit transfers and accommodation	0%	14%	0%	5.0%	9.5%
Transfers and collections	5%	0%	0%	0.0%	0.8%
Accommodation	15%	34%	35%	35.4%	31.8%
Meals and drinks	0%	2%	0%	0.0%	1.3%
Activities	20%	0%	0%	0.0%	2.6%
National park/etc fees	15%	2%	0%	0.0%	3.1%
Local booking commissions	0%	0%	10%	20.7%	3.8%
Your booking costs	0%	3%	5%	0.0%	2.6%
Your overheads	0%	5%	15%	0.0%	5.0%
Your profit	0%	10%	5%	14.1%	8.6%
VAT and taxes	0%	0%	0%	0.0%	0.0%

National Nature-Based Tourism Supply-Side Study

Breakdown of Tour Packages - Costs

	Southern Africa			Britain and Europe			North America			Averaged Scores				Demand Survey Range (US\$)
	% of sub-total	% total package	Amount (US\$)	% of sub-total	% total package	Amount (US\$)	% of sub-total	% total package	Amount (US\$)	% of sub-total	% total package	Std. Dev.	Amount (US\$)	
Spent Offshore														
Tickets	54.5%	27.5%	\$746	51.1%	19.0%	\$819	44.4%	20.0%	\$1,245	50.6%	20.4%	4.7%	\$899	
Agents costs	45.5%	22.9%	\$622	48.9%	18.2%	\$785	55.6%	25.0%	\$1,557	49.4%	19.8%	3.5%	\$877	
Sub-total	100.0%	50.5%	\$1,368	100.0%	37.2%	\$1,604	100.0%	45.0%	\$2,802	100.0%	40.2%	6.7%	\$1,776	
Spent in Country														
Agent's costs	0.0%	0.0%	\$0	0.0%	0.0%	\$0	14.5%	10.0%	\$623	2.4%	1.4%	5.8%	\$63	
Tickets (including taxes)	9.3%	4.6%	\$124	16.6%	10.4%	\$448	14.5%	10.0%	\$623	15.9%	9.5%	3.2%	\$420	
Transfers	9.3%	4.6%	\$124	22.9%	14.4%	\$621	15.9%	10.9%	\$681	18.3%	10.9%	5.0%	\$483	3 - 360
Food and beverage	13.0%	6.4%	\$174	3.2%	2.0%	\$86	3.4%	2.3%	\$146	3.9%	2.3%	2.5%	\$104	3 - 667
Accommodation	27.8%	13.8%	\$373	53.8%	33.8%	\$1,458	45.2%	31.1%	\$1,937	52.0%	31.1%	10.9%	\$1,374	10 - 700
Activities	18.5%	9.2%	\$249	0.3%	0.2%	\$9	2.1%	1.5%	\$90	2.4%	1.5%	4.9%	\$64	3 - 375
Regulatory payments	22.2%	11.0%	\$299	3.2%	2.0%	\$86	4.4%	3.0%	\$187	5.0%	3.0%	4.9%	\$133	
Sub-total	100.0%	49.5%	\$1,343	100.0%	62.8%	\$2,708	100.0%	68.9%	\$4,287	100.0%	59.8%	9.9%	\$2,641	
TOTAL														
Averaged package cost			\$2,712			\$4,312			\$6,226				\$4,417	
Ave. expend (Demand Survey)			\$2,558			\$2,771			\$2,956				\$2,762	

National Nature-Based Tourism Supply-Side Study

Cash Flows into Communities

Nature-Based Tourism Contributions to Communities and the Informal Economy (US\$)	Kariba Shoreline N = 4	South Luangwa N = 5	Northern N = 4	Livingstone and the Rapids N = 8	Lower Zambezi N = 4	Lusaka N = 1	Lunga, Kafue, Kafue Flats N = 2	National Total N = 28
Purchased goods & services								
Permanent and casual staff salaries and benefits	245,250	559,906	100,805	4,291,490	222,000	200,000	47,710	5,667,161
Local materials	46,000	100,000	3,300	972,550	112,000	30,000	60,000	1,323,850
Local foodstuffs	46,000	197,740	68,345	1,152,580	47,000	90,000	87,080	1,688,745
Local contractors	8,000	-1,000	22,250	75,000	55,000	20,000	0	179,250
Local general goods	15,000	208,000	2,000	55,000	88,000	25,000	38,500	431,500
Other (state)	0	5,000	47,458	0	0	0	1,650	54,108
Sub-total	360,250	1,069,646	244,158	6,546,620	524,000	365,000	234,940	9,344,614
Contributed goods and services	0	0	0	0	0	0	0	0
Health and education infrastructure	5,000	85,100	10,000	287,240	2,500	5,000	0	394,840
Health sector operations support	5,000	18,332	14,000	13,500	2,000	3,000	2,000	57,832
Education sector operations support	5,000	36,300	8,400	6,000	9,500	0	0	65,200
Public infrastructure	5,000	4,000	6,000	12,500	2,000	0	0	29,500
Water and sanitation infrastructure	5,000	130	200	11,200	2,500	10,000	1,000	30,030
Police Post	2,500	2,700	0	7,000	0	0	0	12,200
Conservation support	5,000	41,670	52,458	5,330	106,000	3,000	1,000	214,458
Customary ceremonies	2,500	2,950	5,200	9,200	3,000	2,000	0	24,850
Other	5,000	900	0	0	0	0	0	5,900
Sub-total	40,000	192,082	96,258	351,970	127,500	23,000	4,000	834,810
Total	400,250	1,261,728	340,416	6,898,590	651,500	388,000	238,940	10,179,424

National Nature-Based Tourism Supply-Side Study

Economic Impacts – Patterns of Expenditure

7	Economic Classifier	Zambia Total	Std. Deviation
7.1	Manufactured goods purchased in Zambia	16.0%	8.6%
7.2	Food, beverages and tobacco purchased in Zambia	31.9%	7.9%
7.3	Textiles and leather items purchased in Zambia	3.0%	1.8%
7.4	Wood and wood products purchased in Zambia	4.3%	2.7%
7.5	Paper and paper products purchased in Zambia	1.4%	1.8%
7.6	Chemicals, rubber and plastic products purchased in Zambia	2.2%	1.6%
7.7	Non-metallic mineral purchased in Zambia (petroleum etc.)	17.4%	5.2%
7.8	Fabricated metal products purchased in Zambia	5.5%	6.2%
7.9	Electricity, gas and water purchased in Zambia	5.7%	4.0%
7.10	Construction work purchased in Zambia	6.0%	4.2%
	Sub-total Domestic Goods	93.3%	
7.11	Imported manufactured goods	2.6%	2.3%
7.12	Imported food, beverages and tobacco	2.4%	4.2%
7.13	Imported textiles and leather items	0.4%	0.8%
7.14	Imported wood and wood products purchased	0.4%	0.7%
7.15	Imported paper and paper products purchased	0.0%	0.4%
7.16	Imported chemicals, rubber and plastic products	0.1%	0.2%
7.17	Imported non-metallic mineral items (petroleum etc.)	0.4%	1.8%
7.18	Imported fabricated metal products purchased	0.4%	0.9%
	Sub-total Imported Goods	6.7%	
	Total	100.0%	

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Economic Impacts – Leakage

Direct tourism leakage includes:

the agent's direct and overhead costs, taxes and profit

– averaged at 19.8%

Cost of sales (airline tickets, etc)

– averaged at 21.4%

Offshore purchases by the sector

- averaged at 6.7%

Total estimated direct leakage

- 47.9%

Creating net inflows of approximately US\$ 2,600 per tourist on packages – plus out of pocket spending

Indirect tourism leakage includes the externalisation of funds to pay for goods and services purchased locally and funds retained offshore by operators. The latter is closely linked to investor security and the relative competitiveness of the industry

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Competitive Advantages/Disadvantages

- Advantages

- Low density tourism/ “real Africa”/ adventure tourism
- Price competitive (2004)
- Diverse options
- Friendly people

- Disadvantages

- Poor marketing (America particularly)
- Prices rising (Europeans)
- International and domestic airline infrastructure poor/expensive
- Few moderately priced destinations (especially S. Africa)
- Unhelpful immigration and customs (many)

National Nature-Based Tourism Supply-Side Study

Trend Assessment – Medium term tourism strategy – Year 11

No.	Item	Degree of Success
1	Objectives	
1.1	Competitive advantage in low volume, high cost, wilderness and adventure tourism	60%. But success largely through individual initiatives, not a coordinated strategy
1.2	Identify target development areas	25%. Livingstone only
1.3	Promote domestic tourism	15%. Local piecemeal initiatives, especially in Livingstone, but no national strategy
1.4	Public-private linkages developed	10%. Some, but little real progress
2	Product Development	
2.1	Brand individual national parks	Zero score. No definitive action. Some success by default
2.2	Kafue National Park as a flagship	10%. On the radar, but only through ZAWA initiatives
2.3	Livingstone the “Adventure Capital”	70%. Success but needs an activity strategy and more planning for Livingstone
2.4	Lusaka as the interconnector	No action
3	Circuit Development	
3.1	Circuits developed	Zero score. In reality only a Livingstone-Lower Zambezi-South Luangwa circuit, with minor development in Western and Northern Provinces
4	Development of Nine Tourism Areas	
4.1	Degree of development of the nine identified Tourism Areas	Three out of nine: Livingstone, Lower Zambezi and Luangwa valley
5	Development of Tourism Centres	
5.1	Level of achievement with nine Tourism Centres	22%. Only Livingstone and Mfuwe.
6	Development of Clusters	
6.1	Development of hierarchical tourism clusters In each tourism area	15%. Practically no planning outside ZAWA general management plans and hierarchical planning doesn’t really feature conceptually in the GMPs.
6.2	Tourism Area Plans and Tourism Area Committees	10% score. Need to focus on the development of real public-private partnerships

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- Issues
 - Staff training
 - Grading and standards
 - Lease arrangements/lease security
 - Licensing bureaucracy
 - Encouraging wider Zambian investment
 - Exchange rate stability